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Supreme Court of the United States

OCTOBER TERM, 1957

No. [redacted] 89

MORGENSTERN CHEMICAL CO., INC.,

Petitioner,

against

G. D. SEARLE & CO.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

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Petitioner prays that, in this action for trademark infringement, a writ of certiorari issue to the United States Court of Appeals for the Third Circuit for the review of so much of its judgment, entered March 12, 1958, directing the entry of a judgment of injunction, as denied an accounting of profits and for the review also of that court's denial, on March 27, 1958, of a motion for the amedment of the judgment by adding a direction that the District Court grant such damages (compensatory and/or exemplary) and, or including, attorney's fees and expenses as may be just.

Opinions Below

The opinion of the District Court is reported in 150 F. Sup. 726 and is reproduced at pages 15-27, *infra*. There was a supplemental opinion, which is not officially reported and which is printed at pages 28-29, *infra*.

The opinion of the Court of Appeals is reported in 253 F. 2d 390, and is reproduced at pages 30-37, *infra*. The subsequent denial of petitioner's motion for the amendment of the judgment was without opinion.

After remand, there was an opinion by the District Court, which is not officially reported and which is printed at page 38, *infra*.

Also appended (pp. 39-44, *infra*) are petitioner's motion to the District Court disposed of by the last mentioned opinion, the judgment entered in the District Court, and the order amending the same.

Jurisdiction

The judgment of the Court of Appeals was made and entered March 12, 1958. Its order denying petitioner's motion to amend the judgment was made and entered on March 27, 1958.

The jurisdiction of this court is invoked under 28 U. S. C. 1254(1). This petition is filed within the time prescribed by 28 U. S. C. 2101(c).

The basis for federal jurisdiction in the court of first instance, the United States District Court for the District of New Jersey, was diversity of citizenship, 28 U. S. C. 1332.

Questions Presented

1. Where, in the marketing of medicinal tablets, a manufacturer infringes on the common law trademark rights of another by deliberately choosing, with full knowledge of such rights, a coined name which is obviously similar "in derivation [from the same Latin word], suggestiveness, spelling, and sound in careless pronunciation", is an accounting of profits properly denied, upon the granting of judgment of injunction, because the tablets of the infringer are "not competitive" with that of the infringed

(being recommended for different ailments) and there is no "palming off" by the infringer?

2. In the same circumstances, are exemplary damages and recovery of the plaintiff's counsel fees also properly refused?

The Statutes Involved

The case rests exclusively on equity and common law principles. No statute is involved other than the jurisdictional provisions above referred to.

Statement of the Case

The following statements, except where otherwise indicated, are from the findings of the courts below as set forth in their opinions (appended hereto at pp. 15-37, *infra*).

Petitioner, a manufacturer and distributor of pharmaceuticals, in 1950 conceived and adopted the name "MICTURIN" for tablets, to be taken orally, for the relief of infections in the urinary tract in cases of nephritis, pyelitis, urethritis, cystitis and prostatitis. Thereafter, petitioner marketed those tablets under that name.

"MICTURIN" was deemed by petitioner especially apt and congenial for its product because it was "suggestive of miction (urination) and micturition (the passing of urine)" and thus serves to associate, in physicians' minds, the product with the ailments for which they are intended.

"MICTURIN", the District Court as well as the Court of Appeals found and held, was a valid common law trademark which the petitioner owned and was entitled to have legally protected.

In 1954, with full knowledge of petitioner's conception and use of the name MICTURIN and despite petitioner's explicit protest, respondent, also a manufacturer and dis-

tributor of pharmaceuticals, adopted the name MICTINE for the marketing of a tablet, also taken orally, for diuretic therapy and for the relief of edema in cases of hypertension, congestive heart failure, glomerulo-nephritis, pylonephritis and nephroses.

Respondent chose "MICTINE", over alternatives which had been considered and which were free from objection by other pharmaceutical houses (Transcript of Record, p. 54a),* also because its suggestiveness of urination would associate respondent's tablets in physicians' minds with the dehydration which they desire to effect (46a-47a).

Both of the courts below agreed that MICTURIN and MICTINE, intrinsically, were confusingly similar.

The District Court said that "if each of the names was employed to designate a medicinal tablet designed for the alleviation or cure of the same or closely related human ailments", it "would have no difficulty in finding a confusing similarity between the two names" (25a; *infra* at p. 25). However, since the tablets were intended for different ailments and were dispensed solely on physicans' prescription and physicians and pharmacists are expert and are habituated to care and caution, the District Court reasoned that, for those reasons, mistakes were not likely and on that ground dismissed the petitioner's complaint (23a, 25a-27a; *infra* at pp. 23, 25-27). In a supplemental opinion, the District Court characterized respondent as having "trod a very narrow course when it adopted the name MICTINE with full knowledge of the name MICTURIN by the plaintiff" (29a; *infra* at p. 29).

In this connection it is noteworthy that respondent, as most pharmaceutical houses, exercised great vigilance and

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* All subsequent numeral references are to page numbers of the Certified Transcript of Record, except where otherwise indicated. The numerals followed by "a" refer to pages in the "Appellant's Appendix" which, in the certified transcript, follows page 486b of the "Appendix to Appellee's Brief". The numerals followed by "b" refer to pages in the last mentioned Appendix.

zeal to protect its own trade names from simulation by others and to that end employed a trademark attorney on a full time basis and was a member of the Combined Trade Mark Bureau composed of 175 manufacturers of pharmaceuticals (45a, 47a-50a).

The Court of Appeals (see opinion, *infra*, pp. 30-37) disagreed that the assumed superior care and caution of physicians and pharmacists justified the disregard of the intrinsic similarity of the two trade names. On the contrary, it held that since a mistake in the prescription or dispensing of medicinals might cause grave consequences and "physicians and pharmacists are not infallible" and "in common with the rest of mankind are subject to human frailties", public interest requires more rather than less rigid avoidance of confusingly similar trade names. Accordingly, the Court of Appeals reversed the dismissal of the complaint and directed the granting of an injunction.

However, since "there was no actual competition between MICTURIN and MICTINE tablets" and there was no "palming off by the defendant of its product as that of the plaintiff", the Court of Appeals held that an injunction alone "will satisfy the equities of the case", and therefore "remanded [the case] with directions to grant an injunction but to deny an accounting of profits".

Petitioner thereafter promptly moved in the Court of Appeals for the amendment of its judgment so as to add to the "directions to grant an injunction but to deny an accounting of profits" the following: "and to grant such damages (compensatory, exemplary and/or punitive) and/or including attorney's fees and expenses and costs, including costs as between solicitor and client, as may be just" (motion papers and order in the Transcript following the Appendices). That motion was denied by an order entered March 27, 1958 (id.), without any opinion or other comment.

In the belief that the denial was purely on the ground that it was unnecessary because, as suggested in the peti-

tioner's moving papers, whether or not specifically directed in the judgment of the Court of Appeals "the questions of damages and (or including) attorney's fees are open for consideration by the District Court on the remand (*Sprague* v. *Ticonic Bank*, 307 U. S. 161, 167-9)", petitioner, upon moving, in the District Court, for the entry of judgment in accordance with the mandate of the Court of Appeals, moved also for the assessment and award to the plaintiff against the defendant of exemplary damages and the fees and expenses of the plaintiff's attorney, as such and as damages, in such sums as to the court may seem just and fair (p. 43, *infra*).

Upon that application, the District Court, in a memorandum dated May 5, 1958 (p. 38, *infra*) construed the opinion of the Court of Appeals as "precluding the award of punitive damages" and denied "the inclusion of counsel fees in [plaintiff's] costs" upon "the precedent of *Kansas City Southern Railway* v. *Guardian Trust Co.*, 281 U. S. 1". In the judgment of injunction which the District Court entered on May 5, 1958 (pp. 39-41, *infra*) it ordered, adjudged and decreed that "plaintiff's application for the assessment and award of damages and, or including, attorney's fees, is hereby denied . . .". In an amendment of the judgment on May 13, 1958 (pp. 42-43, *infra*) the District Court loosened to some extent the injunctive provisions.

In the first two years or so of its marketing of Mictine, respondent, to November 27, 1956 (two months before the trial), sold 30,000,000 Mictine tablets (269b, 277b).* The record does not show, since there has been no accounting, what respondent's sales amounted to in the more than seventeen months which intervened between November 27, 1956 and the entry of the judgment of injunction, except that, on the application to the District Court for entry of judgment in accordance with the Court of Appeals' man-

* The indications are that respondent received therefor approximately 5½ cents per tablet.

date, respondent submitted an affidavit, dated April 9, 1958, that it had on hand 1,026,200 tablets manufactured after January 1, 1958, which it estimated constituted "a three months' [current] demand for the product Mictine through the normal trade channels".

Reasons for Granting the Writ

1. The infringement having been deliberate, wilful, calculated and over plaintiff's explicit and continuous protest, *the denial of all monetary redress* for respondent's over 3½ years of profitable tortious appropriation and utilization (until enjoined from continuing to do so) of plaintiff's trade name, is inconsistent with and contrary to the accepted and usual course of judicial proceedings both in law and in equity. Petitioner sued not only for the injunction but also for "all profits which [defendant] has realized by or from the sale of products under the marks or designations 'Mictin' and 'Mictine' and . . . such compensatory and exemplary damages as may be just, together with the costs of this action and attorney's fees" (10a-11a). The effect of the denial of all such relief is to allow a deliberate tort-feasor to retain all the fruits of its wilful misappropriation without any compensation to the owner and, to boot, compel the latter even to bear the cost of the litigation which it had to incur to halt the wrongdoing.

Such a shocking result contravenes the accepted and usual course of judicial proceedings of (a) on the equity side, impressing a trust upon the profits of the wrongdoing, (b) on the law side, imposing exemplary damages, and (c) on both the law and equity sides, requiring the wrongdoer to defray the wronged party's litigation expenses.

(a). The above referred to accepted and usual course of equity in trademark infringement cases is exemplified by this Court's decisions in *Hamilton-Brown Shoe Co.* v. *Wolf Bros.*, 240 U. S. 251, 256, 259 (1916); *L. P. Larson Jr. Co.* v. *Wm. Wrigley Jr. Co.*, 277 U. S. 97 (1928), and

Mishawaka Mfg. Co. v. *S. S. Kresge Co.*, 316 U. S. 203 (1942).

While the products in the first two of those cases were competitive, competition was not involved in the *Mishawaka* case, for there the plaintiff manufactured and marketed complete shoes, not heels alone, and the infringement consisted solely of manufacturing and selling, separately as heels, rubber heels which contained the distinguishing red plug of the heels of the shoes manufactured by the plaintiff. Quite obviously, the shoe manufacturer could not have made any of the heel sales and thus the profits therefrom were not profits which it could have earned had defendant not manufactured and sold any of the red plug heels.

Thus, it is clear that the basis of awarding to the infringed the profits of the infringer is not that such profits represent or approximate damage done or gains prevented, but "a principle analagous to that which charges a trustee with the profits acquired by the wrongful use of the property of the *cestui que trust* . . ." (*Hamilton-Brown Shoe Co.* v. *Wolf Bros., supra*). As Judge Cardozo noted, in *Beatty* v. *Guggenheim Exploration Co.*, 225 N. Y. 380, 386 (1919), "A constructive trust is the formula through which the conscience of equity finds expression." Therefore, equity treats one who tortiously puts to his own profitable use the property of another as having earned those profits for the account and benefit of the owner of the appropriated property. In that view and context, whether the use, to which the appropriated property was put, took from the owner profits which he otherwise would have earned, is immaterial. That was made crystal clear by this Court in the *Mishawaka* case, where, as already noted, the plaintiff would have made neither the sales nor the profits which the defendant had made and where, also, the Trial Court found (and the Court of Appeals affirmed) that it did not appear that anyone had bought the defendant's heels under the belief that the plaintiff had manufactured them. In

the face of all that, this Court explicitly overruled the limitation in the District Court's decree (which the Court of Appeals had affirmed) of the award of defendant's profits to the profits from sales "to purchasers who were induced to buy because they believed the heels to be those of plaintiff and which sales plaintiff would otherwise have made." This Court there said (at p. 205):

> "The protection of trademarks is the law's recognition of the psychological function of symbols. . . . If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress. . . ."

and continued (at pp. 206-7):

> "The burden is the infringer's to prove that his infringement had no cash value in sales made by him. If he does not do so, the profits made on sales of goods bearing the infringing mark properly belong to the owner of the mark. *Hamilton-Brown Shoe Co.* v. *Wolf Bros.*, 240 U. S. 251. There may well be a windfall to the trademark owner where it is impossible to isolate the profits which are attributable to the use of the infringing mark. But to hold otherwise would give the windfall to the wrongdoer. In the absence of his proving to the contrary, it promotes honesty and comports with experience to assume that the wrongdoer who makes profits from the sale of goods bearing a mark belonging to another was enabled to do so because he was drawing upon the good will generated by that mark. And one who makes profits derived from the unlawful appropriation of a mark belonging to another cannot relieve himself of the obligation to restore the profits to their rightful owner by showing that the latter did not choose to use the mark in the particular manner employed by the wrongdoer."

This Court added: "If the petitioner suffered damages beyond the loss of profits, the decree should provide the assessment of such damages" (at p. 208).

In the common law trademark case of *L. P. Larson Jr. Co.* v. *Wm. Wrigley Jr. Co., supra,* the plaintiff "was a small manufacturer, . . . had only a very limited trade, and neither the ability nor the present intention to extend its trade" (see that case in 275 F. 535, at p. 537); yet this Court held that the plaintiff was entitled to the whole of defendant's $1,300,000 of profits—without deduction of the income taxes defendant had paid thereon.

In consequence, the Third Circuit Court of Appeals in *Century Distilling Company* v. *Continental Distilling Corporation,* 205 F. 2d 140 (1953), upheld the award to the plaintiff of $129,296.20 of defendant's profits because those were attributed to the use of the "congenial symbol" which was plaintiff's property even though the findings were that there had been no palming off and no confusion of source and no trading on (or benefit from) plaintiff's repute.

None of the cases cited by the Court of Appeals in its opinion in this case supports the denial to the petitioner of the respondent's profits.

In *Champion Plug Co.* v. *Sanders,* 331 U. S. 125 (1947), the product which the defendant sold actually was of plaintiff's manufacture and correctly bore the trademark which plaintiff had imprinted upon it.

In *McLean* v. *Fleming,* 96 U. S. 245 (1877), *The International Silver Co.* v. *Rogers Corporation,* 66 N. J. Eq. 140, 57 A. 725 (1904), and *Rubber & Celluloid Harness T. Co.* v. *Rubber-Bound Brush Co.,* 81 N. J. Eq. 419 (1912), 88 A. 210, aff'd 81 N. J. Eq. 519, 88 A. 213, the plaintiffs were denied the defendants' profits solely because of the plaintiffs' laches—their prolonged acquiescence to the defendants' use of the trademarks.

In *J. E. Rowley Co.* v. *Rowley,* 193 F. 390 (3 Cir., 1912), the defendant's sole offense was the use of his own surname in his conduct of a business in competition with the plaintiff; the name was not affixed to the articles sold, but

appeared only on the defendant's letterheads and advertising; he was enjoined only to the extent of being required to add his initials and also explanatory words to distinguish the articles manufactured by him from those of the plaintiff. The holding that, in those circumstances, plaintiff was not entitled to defendant's profits, certainly presents no analogy here.

In *Q-Tips, Inc.* v. *Johnson & Johnson*, 206 F. 2d 144 (3 Cir., 1953), accounting was denied solely because the evidence showed that there had been no profits. Review by this Court was sought unsuccessfully not by the plaintiff, but by the defendant. (346 U. S. 867).

(b). On the law side, exemplary damages, in addition to or in the absence of legally provable compensatory damages, is a well settled ancient device of the common law to redress wilful tort (e.g. *Scott* v. *Donald*, 165 U. S. 58, 86-89 (1897); *Aladdin Manufacturing Co.* v. *Mantle Lamp Co.*, 116 F. 2d 708, 717, 7th Cir., 1941, c.d. 296 U. S. 639; cases therein cited; *Wendelken* v. *Stone*, 88 N. J. L. 267, 86 A. 376 (1913); *Spiegel* v. *Evergreen Cemetery Company*, 117 N. J. L. 90, 94-5, 186 A. 585 (1936); *Voltz* v. *Blackmar*, 64 N. Y. 440, 444 (1876); *Gostkowski* v. *Roman Catholic Church*, 262 N. Y. 320 (1933)).

Exemplary damages for wilful infringement of a trademark were awarded in *Aladdin* v. *Mantle Lamp Co., supra.* The right thereto, when appropriate to the facts, was reaffirmed in *Keller Products Inc.* v. *Rubber Linings Corp.*, 213 F. 2d 382, 387-8 (7th Cir., 1954). In a suit for appropriation of plaintiff's name and unfair competition, *McDonald* v. *Winfield Corp.*, 93 F. S. 153 (D. C. E. D. Pa., 1950), held the case to be "plainly one for exemplary damages" (at p. 162) and plaintiff was awarded $80,000 in addition to $80,000 compensatory damages. Subsequently, plaintiff was awarded $20,000 more in "punitive damages" for delay in complying with the injunctive provisions of the judgment (Id., 109 F. S. 923, 1952).

(c). As to the plaintiff's attorney's fees, this Court in *Sprague* v. *Ticonic Bank*, 307 U. S. 161, 165-9 (1939), said that United States courts of equity have a wide discretion in awarding or denying to the prevailing party not only costs "between party and party" but also "costs as between solicitor and client". And in the infringement suit of *Reconstruction Finance Corporation* v. *J. G. Menihan Corp.*, 312 U. S. 81 (1941), this Court, in affirming the holding of the Court of Appeals for the Second Circuit (111 F. 2d 940), that there existed power to assess the successful defendant's counsel fee expenses against the plaintiff who had put the defendant to that expense, said that "sound equity practice" in the United States courts included the power to award counsel fees to a successful litigant, such allowance being one of the "natural and appropriate incidents of legal proceedings" (p. 85).

The earlier case of *Kansas City Southern Railway* v. *Guardian Trust Co.*, 281 U. S. 1 (1930), cited by the District Court, is not to the contrary. In that case, recovery of counsel fees was not sought by the plaintiff; after decision in plaintiff's favor, stockholders of the plaintiff intervened to suggest that the defendant's litigation was "instigated and prosecuted . . . without good faith, and that the entire litigation was trivial, wanton and oppressive", and on that ground asked the Court to hold that the plaintiff was entitled to recover from the defendant all of its litigation expenses and either to direct their award or reserve to the plaintiff the right to sue therefor in a new action. That application was denied, and a decree was directed to be entered in favor of the plaintiff with "costs". That decree was affirmed by this Court on an appeal which did not challenge the correctness of the denial of the requested relief as to the plaintiff's litigation expenses. It was in those circumstances that this Court reversed the subsequent inclusion in the decree of $296,520.37 of attorney's fees and expenses on the *extraneous* ground that defendant had litigated in bad faith and wantonly,

an "issue" which had not "been framed" and a "charge" which was not "suggested until after the filing of the first opinion" (p. 10). The total non-applicability of that case is made still clearer by the further statement in the opinion that whether "federal equity courts have jurisdiction to allow costs as between solicitor and client to include therein attorney's fees . . ., we express no opinion" (pp. 9-10). On that point, this Court subsequently declared the law very firmly in the *Sprague* and *Reconstruction Finance Corp.* cases, mentioned above.

In infringement cases, successful parties have been awarded their attorney's fees (1) as part of the damages caused by and chargeable to the infringer, (2) as an element in fixing exemplary damages, and (3) in the exercise of established equity principles and procedures (*Aladdin* v. *Mantle Lamp Co., supra; Keller Products, Inc.* v. *Rubber Linings Corp., supra; Admiral Corp.* v. *Penco, Inc.*, 203 F. 2d 517 (2d Circ., 1953); *National Van Lines* v. *Dean*, 237 F. 2d 688 (9th Circ., 1956); *Frances H. Legget & Co.* v. *Premier Packing Co., Inc.*, 140 F. S. 328 (D. C. Mass., 1956); *Youthform Co. v. R. H. Macy, Inc.*, 153 F. S. 87 (D. C., N. D. Ga., 1957).

2. In sum, it is submitted that, in this case, the judgment that the defendant may have its three and one-half years of the luscious fruits of its deliberate tort for nothing at all—even free of the litigation expenses to which it put the plaintiff—urgently calls for the intervention of this Court's supervisory and corrective jurisdiction.*

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* Plaintiff is taking the precautionary step of a second appeal to the Court of Appeals to review the District Court's denial, upon the remand, of exemplary damages and attorney's fees. However, since the denial of exemplary damages was placed upon the ground that the decision of the Court of Appeals excluded exemplary damages as well as an accounting of profits, and perhaps that is not an unwarranted construction of the Court of Appeals' decision, review of the judgment of the Court of Appeals, it is submitted, properly encompasses the review of the disallowance of exemplary damages. Under all the circumstances, it is respectfully submitted further that the review here, if granted, should include also the disallowance of attorney's fees.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that this petition for a writ of certiorari should be granted.

Respectfully submitted,

COPAL MINTZ,
Attorney for Petitioner.

June 6, 1958.

APPENDIX

Opinion of the District Court.

(Filed April 4, 1957 and as Amended June 10, 1957. Reported in 150 F. Sup. 726.)

Appearances:

Chazin & Chazin, Esqs., By Copal Mintz, Esq. (New York Bar), Attorneys for Plaintiff.

Shanley & Fisher, Esqs., By Frederick B. Lacey, Esq., Donald A. Robinson, Esq., and Howard P. Robinson, Esq. (Illinois Bar), Attorneys for Defendant.

Wortendyke, J.:

There is diversity of citizenship between the parties to this action and the minimum jurisdictional requirement exists. The Court has jurisdiction of the parties.

The plaintiff, a corporation of the State of New York, is seeking an injunction, together with an accounting of profits and counsel fee, to restrain further use by the defendant, a corporation of the State of Illinois, of the name Mictine, which the defendant has adopted for one of its products. Plaintiff alleges such a similarity in spelling, sound and suggestiveness to the name Micturin, which the plaintiff had previously adopted for one of its products, as to render likely confusion of the products of the respective parties in the minds of purchasers thereof. The action is not for infringement of a registered trade mark or trade name under the Lanham Act, 15 U. S. C. A. §§ 1051, *et seq.* Plaintiff claims to have coined and thereby to have acquired a property right in the name which it adopted for its product, and charges unfair competition or unfair trade practice on the part of the defendant in adopting a name for its product of such similarity as to be confusing to those persons specifically

physicians and pharmacists, having occasion to prescribe and dispense the pharmaceutical products of the respective parties designated by the allegedly similar names. A brief review of the evidence will point up the questions, the resolution of which the Court is called upon to make.

The plaintiff was incorporated in November 1939, and Alexander V. Morgenstern has been continuously its president and in general managerial control of its business throughout its existence, except for a period between 1948 and 1950 when he retired from that office. During this interim Mr. Morgenstern remained as consultant while the business was being conducted by his two sons. The sole place of business of the plaintiff is located in Mt. Vernon, New York, to which it moved from New York City in July, 1953. Plaintiff corporation acquired from Morgenstern the right to use the business name of Physicians Drug Company, under which the plaintiff marketed its products, including that involved in this litigation.

During late 1949 or early 1950, while Mr. Morgenstern's two sons were operating plaintiff's business, the father devised a formula for a urinary tract antiseptic embodied in the form of enteric tablets, to be taken by mouth. For these tablets he conceived and adopted the name "Micturin" which he felt to be suggestive of miction (urination) and micturition (the passage of urine); each of which is derived from the Latin *micturire*, meaning to urinate.

The plaintiff undertook the promotion and marketing of these urinary antiseptic tablets under the name which had been conceived by Mr. Morgenstern. The latter composed the labelling and promotional literature, cleared the product with the United States Food and Drug Administration, and planned and directed, in behalf of the plaintiff, the promotional and marketing procedures.

These procedures began with a circular letter, dated March 22, 1950, addressed to 102 wholesale druggists located in various places throughout the United States, which was followed by unsolicited shipments, on consignment, of a dozen or two of boxes of the product, invoiced to each of the consignees. Another promotional procedure pursued by Mr. Morgenstern involved the use of so-called "return" post cards bearing the names of some of the plaintiff's products, with places on the "return" card, opposite the name of each product, for the insertion of a check or cross mark to indicate the interest of the addressee, in the particular product. These cards were mailed to some 102,000 physicians in various localities in the United States. Two samples of this tablet, enclosed in an envelope bearing printed information about the product, together with a card bearing advertising text relative thereto, all composed by Mr. Morgenstern, were mailed to those physicians who indicated an interest in the product by use of this return post card.

Commencing with the year 1951 plaintiff caused its product to be listed, under the name "Micturin", in the Blue Book and in the Red Book, both annual catalogues of proprietary pharmaceuticals widely circulated among the drug trade.

Plaintiff's product was sold in lots of 50 tablets, each lot packaged in a square cardboard box bearing a label reading as follows: "50 MICTURIN TABLETS—Each Tablet. Contains: Methenamine—3½ gr. Aminophyllin—½ gr. Hyoscyamin alk.—1/400 gr. CAUTION: To be dispensed only by or on the prescription of a physician, according to directions. Literature available to physicians on request. If the urine is alkaline, an 'acidifier' (sodium or ammonium biphosphate) should be taken. DISTRIBUTED BY PHYSICIANS DRUG COMPANY, New York 14, New York." These boxes were advertised for sale at the retail price of $2.00 per box, or $16.00 for a dozen boxes.

The Micturin tablets, circular in shape, pink in color, and glossy surfaced, were actually manufactured for the plaintiff by Strong Cobb Company, Inc., of Cleveland, Ohio, and later by the Arner Co., Inc., of Buffalo, New York, in accordance with Mr. Morgenstern's formula. The plaintiff boxed and labelled the tablets and distributed them under the name of Physicans Drug Company. There appears on the tablet no name, mark or symbol to indicate its source or proprietorship.

Plaintiff's advertising material relates that the tablets are indicated for disinfection of the urinary tract, control of inflammation and pain, evacuation of stagnant urine and relaxation of sphincter spasm in genito-urinary cases involving micturition trouble (nephritis, pyelitis, urethritis, cystitis and prostatitis). The same cards point out that, by means of the enteric coating, the tablets are protected from attack by gastric hydrochloric acid so as to permit development of full therapeutic activity in the urinary organs. The distributor suggests that Micturin tablets are preferable to the toxic antiseptics (which may exert undesirable side-effects) for prolonged administration in "catarrhs" of the bladder and urethra in both sexes. The advertising further claims that these tablets are valuable "in mild infectious processes common in elderly persons, and for prophylaxis when catherization is required."

Although Mr. Morgenstern testified that plaintiff was supplied with 213,900 tablets by the Strong Cobb Company and 209,500 tablets by The Arner Company,—these two quantities constituting all of the tablets produced for the plaintiff,—the witness tells us that no record was kept of how many tablets were actually sold. He explains that many of plaintiff's sales records have been lost or destroyed. He recalls that when each shipment was made the invoice was entered in the sales ledger, duly posted,

and on receipt of payment the amount due was credited, whereupon the retained copies of the invoices were destroyed. Copies of some of these orders however, which had been retained, were marked in evidence, but are not reliable indications of the aggregate total or frequency of sales, because incomplete. However, for the years 1955 and 1956 plaintiff produced all of its invoices, which were marked in evidence, showing total sales of $83.92 and $58.37 for each of those years respectively. Conceding that his estimates for the years preceding 1955 were mere guesses, Mr. Morgenstern testified that for the year 1950 plaintiff's gross sales ranged between $2,000 and $2,500; for 1951 between $2,000 and $3,000; for 1952, $3,000; for 1953 between $2,000 and $2,500; for 1954 between $1,800 and $2,000. He admitted that plaintiff abandoned promotion of the sale of Micturin tablets in March or April 1953, with the intention of waiting until the medical profession might indicate a trend of aversion from the use of antibiotics and sulphanimides which are presently completely monopolizing the field in which he claimed Micturin was indicated. In this immediate connection, plaintiff produced no evidence tending to induce the expectation that the use of these popularly called "wonder drugs" was likely to diminish in the foreseeable future. On the other hand, competent medical testimony adduced by the defendant satisfies me that the use of these now universally recognized therapeutic agents is progressively expanding rather than diminishing.

The defendant is a large manufacturer of ethical pharmaceutical specialties, employing some 900 persons, one-third of whom are engaged in research. Its products are sold in 50 or 60 countries of the world. Its main plant is in Chicago, Illinois, and it operates other plants in Lyndhurst, New Jersey, San Francisco, California, Toronto, Canada and London, England. It sell only to wholesale

druggists, but its promotion is through the medical profession as well. None of its advertising is directed to Laymen.

Through its research activities the defendant originated and developed a brand of amino-metramide. For this product defendant sought an appropriate name and invited suggestions from certain of its employees for that purpose. From the suggestions so offered, the name *Mictine* was adopted, but only after the following events had transpired:

Defendant first thought of the name Mictine the latter part of June or July, 1954. At that time, it consulted various publications and a card index to determine the availability and registerability of the name as a trademark. Among such publications was the Red Book above referred to. Defendant noted therein the listing of Micturin as a product of or distributed by Physicians Drug Company. Thus, or through supplementary investigation, defendant became aware that plaintiff produced and marketed a product known as Micturin Tablets for a urinary antiseptic in August, 1954.

In September, 1954 the name was filed with the Combined Trade Mark Bureau, a trade organization to which the defendant belonged, for the purpose of evoking any objections to the use of the name which might emanate from any of the members of the Bureau. With no such objections forthcoming, the name *Mictin* was thereupon submitted to defendant's attorneys, for the purpose of making a trade-mark search report based on the United States Patent Office records, and other sources. The report, dated October 22, 1954, showed the existence of a product of Physicians Drug Co. of Mt. Vernon, New York, known as "'Micturin' Tablets." After receipt of this report, defendant's vice-president, Mr. O'Brien, contacted Mr. Alexander V. Morgenstern, in November 1954, by telephone, advising the latter that the defendant had determined to adopt the name "Mictin" for its product and inquiring,

as a matter of courtesy, whether Mr. Morgenstern had any objection to the use of such a name for defendant's diuretic product. Mr. Morgenstern advised Mr. O'Brien that he would object to the use of the name "Mictin", but offered to sell to defendant all of plaintiff's rights in the name "Micturin", as well as plaintiff's business; stating at the time that the plaintiff's product was not of importance and was only yielding a profit of approximately $2,000 per annum. Mr. O'Brien indicated that defendant would not be interested in such a purchase, but both individuals left open the possibility of further discussions of this subject. The telephone conversation between Mr. O'Brien and Mr. Morgenstern was succeeded by correspondence between them and others, in the course of which references were made to the similarity between the names Micturin and Mictin, and the possibility of confusion of the two. In this correspondence there is a current of negotiation, kept alive principally by Mr. Morgenstern, looking to the ultimate possibility of the sale of his product and right to the use of the name Micturin to the defendant. The evidence further discloses that Mr. O'Brien had indicated to Mr. Morgenstern that the defendant would make a change in the contemplated name of "Mictin", but the testimony is uncontradicted that the name "Mictine" was ultimately adopted by the defendant, and used upon the labels of the containers of its product, commencing on or about December 1, 1954.

Defendant's tablet is also circular, or disc-like in shape, although its contour differs from that of the product of the plaintiff. The color of defendant's tablets is a deep rose shade, the surface of the tablet is dull rather than glossy (as in the case of plaintiff's tablet), and every tablet of the defendant bears impressed thereon the name "Searle." Defendant's tablets are packaged in square glass bottles and marketed in quantities of 100 and 1,000. The label on each bottle reads as follows: "SEARLE-

MICTINE-BRAND of aminometradine (1-allyl-3-ethyl-6-amino-tetrahydropyrimidinedione) 200 mg. CAUTION: Federal law prohibits dispensing without prescription. Usual adult dose: three tablets daily with meals, on alternate days; or as recommended in Reference Manual No. 51, available to physicians on request. G. D. SEARLE & Co. CHICAGO."

A pamphlet entitled "Research in the Service of Medicine", Volume 40, published by defendant in 1955, recommended the use of Mictine for diuretic therapy in cases of hypertension, congestive heart failure, glomerulo-nephritis, pylonephritis and nephroses. Volume 43 of the same publication recommended Mictine for the relief of edema and as a diuretic therapeutic in cardiac failure. Oral testimony amply confirmed the fact that defendant's product is classified as a non-mercurial diuretic and would be prescribed only for the relief of the above ailments.

On the basis of the foregoing evidence, I am impelled to certain findings of fact. The name Micturin or Micturin Tablets was lawfully conceived and adopted by the plaintiff to designate the tablets which it undertook to promote, and succeeded to a degree in selling, to some wholesale druggists in limited quantities at localities in various portions of the United States. With full knowledge of plaintiff's conception and adoption of the name Micturin, defendant adopted the name Mictine. Both Micturin and Mictine are derived from or based upon the same root and are intended to suggest urination. Although both products are sold and promoted only for dispensing by a pharmacist upon the prescription of a doctor, the similarity terminates at this point. The plaintiff's Micturin is a urinary tract antiseptic for use in certain genito-urinary cases, while defendant's Mictine is a non-mercurial diuretic for use in the relief of edema and cardiac failure. Since both products are dispensed only on prescription, I am not concerned with the likelihood of confusion in the minds of the general public, but am limited to an inquiry whether such confusion

may exist within the specialized group composed of physicians and pharmacists. It appears from the combined testimony of an eminent cardiologist, two university professors of pharmacology, a general medical practitioner and a dispensing retail pharmacist, that it is extremely unlikely that a physician would prescribe or a pharmacist dispense the product of one of the parties for the treatment of a condition for which the product of the other party is indicated. The Court takes judicial notice of the high standards of care inherent in both the fields of medicine and pharmacy and finds that such standards indicate the unlikelihood of confusion of the type urged by the plaintiff.

The name "Micturin" or "Micturin Tablets," though not a registered trade-mark or trade name, is a valid common law trade name. Plaintiff is the owner of the name and is therefore entitled to the law's protection of its drawing power as a congenial symbol for its product. "A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value." *Mishawaka Rubber & Woolen Manufacturing Co.* v. *S. S. Kresge Co.*, 316 U. S. 203, 205. The name which plaintiff has conceived and adopted for its product is, therefore, a valid common law trade-mark or trade name in the use of which the plaintiff is entitled to be protected against confusion resulting from the use by another of the same or a similar name for a competing product in the same market. "What degree of resemblance is necessary to constitute an infringement

(of a trade-mark or trade name) is incapable of exact definition, as applicable to all cases. All the courts of justice can do, in that regard, is to see that no trader can adopt a trade-mark so resembling that of another trader, as that ordinary purchasers, buying with ordinary caution, are likely to be misled." *McLean* v. *Fleming*, 96 U. S. 245, 251. In affirming injunctive relief upon a finding of infringement of a common law trade-mark below, the Supreme Court, in *McLean*, pointed out, at page 251, that the ground for the relief to which the court found the plaintiff to be entitled was "that one man is not allowed to offer his goods for sale, representing them to be the manufacture of another trader in the same commodity."

The general principles relating to the infringement of trade names are stated in Chapter 35 of the Restatement of the Law of Torts (§§ 711, *et seq.*). A trade name is defined (§ 716) as "Any designation which (a) is adopted and used by a person to denominate goods which he markets * * * or a business which he conducts, * * * and (b) through its association with such goods, * * * or business, has acquired a special significance as the name thereof, and (c) the use of which for the purpose stated in clause (a) is prohibited neither by a legislative enactment nor by an otherwise defined public policy." Under "Comment" following the statement of the foregoing definition, we are told that "A designation is not a trade name until it has in fact become in the market the name for goods * * * coming from or through a particular source or the name for a particular business." The same Comment reminds us that "The phrase 'secondary meaning' (which is the connotation of the phrase 'special significance' as thus used), does not mean a subordinate or rare significance. It means rather a subsequent significance added to the previous meaning of the designation and becoming in the market its usual and primary significance." Whether there has been an acquisition of such special significance is a question of fact in each case; no particular period of use

being required. "The issue in each case is whether or not in fact a substantial number of present or prospective purchasers understand the designation, when used in connection with goods, * * * as referring to a particular person * * *."

In the case at bar the plaintiff relies upon the obvious similarity in derivation, suggestiveness, spelling, and sound in careless pronunciation, between "Micturin" and "Mictine" as applied to pills to be taken by mouth for therapeutic purposes. If each of the names was employed to designate a medicinal tablet designed for the alleviation or cure of the same or closely related human ailments, this Court would have no difficulty in finding a confusing similarity between the two names, as was claimed in *G. D. Searle & Co.* v. *Pfizer & Co., Inc.* (7 Cir. 1956), 231 F. 2d 316. Medicinal pills are not prescribed, dispensed or taken indiscriminately A purchaser desiring a laxative tablet would not be induced by any similarity between names to purchase a sleeping pill. Neither from the evidence presented in this case, nor by way of judicial notice, can this Court reasonably find that a physician would prescribe or a pharmacist dispense the product of one of the parties for the treatment of a condition for which the product of the other party is indicated. Similarity in sound or appearance of a word employed to designate a product for the market is not "confusing," as the term is contemplated by the apposite decisions, unless each of the names is applied to a similar product and is likely to induce a purchaser to ask for one of the products when seeking to obtain the other. *Hyde Park Clothes* v. *Hyde Park Fashions* (2 Cir. 1953), 204 F. 2d 223, cert. den. 346 U. S. 827. Since I am unable to find a confusing similarity in connotation between the names in question as applied to the products respectively indicated thereby, I am unable to conclude that defendant has infringed upon the rights of plaintiff in its common law trade name.

Since this case does not arise under the Lanham Act, 15 U. S. C. A. 1051 *et seq.*, but seeks protection for a common law trade name, it is to be governed by the law of the forum. *Erie Railroad Co.* v. *Tompkins*, 304 U. S. 64; *Kellogg Co.* v. *National Biscuit Co.*, 305 U. S. 111. "Unless there is * * * actual competition, there cannot be unfair competition." *Goldscheider* v. *Schnitzer* (Chanc. Div. 1949), 3 N. J. Super. 425, 429, citing *National Grocery Co.* v. *National Stores*, 95 N. J. Eq. 588, 123 A. 740, affd. 97 N. J. Eq. 360, 127 A. 925; and *Baltimore* v. *Clark*, 131 N. J. Eq. 290, 24 A. 2d 30, affd. 132 N. J. Eq. 374, 28 A. 2d 169. I find no actual competition between Micturin tablets and Mictine. Therefore, there can be no unfair competition in the use of Mictine to designate defendant's non-competing product. Paraphrasing the language of the opinion in *Cridlebaugh* v. *Rudolph* (3 Cir. 1942), 131 F. 2d 795 at 801, cert. den. 318 U. S. 779,—Even if Micturin were a valid trade-mark, the right of the plaintiff would extend no further than the protection against the unfair use of a similar trade-mark by a competitor who seeks thereby to palm off his goods as those of the plaintiff. I can find in the evidence in this case no basis for inferring that there is any likelihood that prospective purchasers of Micturin tablets will be misled into purchasing defendant's product by reason of the latter's use of the name Mictine.

While plaintiff may be entitled to the exclusive use of the name Micturin for urinary antiseptic tablets, defendant's use of Mictine for oral non-mercurial diuretic tablets is not a misappropriation of plaintiff's rights, whatever the similarity in sound and derivation of the two names. The conclusion to which I am impelled is uninfluenced by any disparity between the respective yields from the sales of plaintiff's product and that of the defendant.

Plaintiff argues that the absence of any evidence of "palming off" by the defendant of its product as that of the plaintiff is immaterial. With this I do not agree.

Warner & Co. v. *Lilly & Co.* (1924), 265 U. S. 526. It is at least material to the issue of whether the defendant is guilty of unfair competition with the plaintiff, and I conclude as a matter of law that it is an element which must be considered in determining whether or not the defendant is guilty of any infringement of plaintiff's rights in its trade name. Obviously if there is no infringement and no unfair competition, the plaintiff is not entitled to an accounting by the defendant of its profits from the sale of Mictine. *Q-Tips, Inc.* v. *Johnson & Johnson* (3 Cir. 1953), 206 F. 2d 144, 148, cert. den. 346 U. S. 867.

Each of the parties to this action has submitted voluminous briefs and presented protracted arguments embodying the discussion of numerous decisions of State and Federal courts. None of these cases, however, is authority for the proposition, posed by the plaintiff in the case at bar, that, because of its priority of conception of the name which it has given to its tablets, it has acquired the right to prevent the subsequent use by another of a name, for its dissimilar product, sounding and appearing somewhat similar to plaintiff's name.

I find in this case that plaintiff's common law trade name "Micturin" or "Micturin Tablets" is not infringed by the defendant's use of the trade name "Mictine," and that defendant is guilty of no unfair competition with the plaintiff by the adoption and use of the latter trade name. Accordingly, the complaint must be dismissed, with prejudice, and judgment will be entered for the defendant.

The foregoing opinion shall constitute the Court's findings of fact and conclusions of law, and an order may be presented in accordance therewith.

REYNIER J. WORTENDYKE, JR.,
Judge, United States District Court.

Dated: April 3, 1957.

District Court's Opinion on Amendment of Judgment.

(Filed June 27, 1957.)

Both before and since the adoption of the Federal Rules of Civil Procedure, it has been the general rule that the prevailing party shall be awarded costs. However, it has always been the rule that in equity the Court has discretion as to the costs and may impose them all upon one party or may divide them in such manner as it sees fit. *Kittridge* v. *Race, et al.* (1875), 92 U. S. 116 at 211; *Newton* v. *Consolidated Gas Co.* (1923), 265 U. S. 78 at 85; *Ex parte Peterson* (1919), 253 U. S. 300 at 317.

The adoption of Rule 54 (d) has extended the Court's discretionary power to award or deny costs in both legal and equitable actions. Under Rule 54 (d) the prevailing party would ordinarily be awarded costs in both courts of equity and law, but if the facts of the case disclose equitable considerations requiring a different conclusion, the Court may tax them to the successful party or leave the respective parties to pay their own costs. *Kederick* v. *Heintzelman* (D. C. Alaska 1956), 141 F. Supp. 633. The Kederick case indicates that one factor which may be considered by the Court is whether or not the public interest, as well as the interests of the parties, may be served by the determination of the issues presented in the case. The public interest was involved in the Morgenstern case, as it is in all trade mark cases, since there is always the question of confusion with possible resulting damage to members of the public who are thus confused. The fact that the Court found in this case that there was no such confusion does not alter the fact that there was an issue on the trial of the case as to the possibility of confusion. In this regard I believe the case was one of public interest as opposed, for example, to an ordinary negligence case.

District Court's Opinion on Amendment of Judgment.

The factors of public interest added to the fact that the evidence clearly indicated that the defendant herein trod a very narrow course when it adopted the name Mictine with full knowledge of the prior use of the name Micturin by the plaintiff, constitutes sufficient reason to deny application of the general rule in favor of the successful litigant. Although the defendant prevailed in this action, I believe the equitable considerations suggested require that each party be left to bear its own costs.

I am accordingly signing an order amending the judgment to the extent of eliminating therefrom the provision for costs.

REYNIER J. WORTENDYKE, JR.,
Judge, United States District Court.

Opinion of the Court of Appeals.

(Filed March 12, 1958; Reported in 253 F. 2d 390.)

UNITED STATES COURT OF APPEALS

FOR THE THIRD CIRCUIT

No. 12,326

MORGENSTERN CHEMICAL COMPANY, INC.,

Appellant

v.

G. D. SEARLE & COMPANY

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Argued January 8, 1958

Before MARIS, MCLAUGHLIN and STALEY, *Circuit Judges.*

By MARIS, *Circuit Judge.*

The plaintiff, Morgenstern Chemical Company, Inc., appeals from the dismissal of its complaint in the District Court for the District of New Jersey and the entry of judgment in favor of the defendant, G. D. Searle & Company, in an action brought to enjoin the defendant from infringing a trade-name belonging to the plaintiff and

for an accounting of profits. Jurisdiction rests on the diversity of citizenship of the parties. The facts of the case, which are undisputed, are fully set out in the opinion of the district court. 150 F. Supp. 726. For the purposes of this appeal it is sufficient to state that the plaintiff company, a manufacturer and distributor of pharmaceuticals, started in 1950 to promote and in 1951 to market tablets, under the name Micturin, to be taken orally for the relief of infections in the urinary tract in cases of nephritis, pyelitis, urethritis, cystitis, and prostatitis, which were to be dispensed only upon physicians' prescriptions. The name Micturin was conceived and adopted because it was suggestive of miction (urination) and micturition (the passage of urine), each of which is derived from the Latin micturire, meaning to urinate. The defendant company, also a manufacturer and distributer of pharmaceuticals, in 1954, with full knowledge of plaintiff's prior use of the name Micturin, started to promote and market tablets, under the name Mictine, which were also to be taken orally and dispensed only on physicians' prescriptions, for diuretic therapy in cases of hypertension, congestive heart failure, glomerulonephritis, pyelonephritis, and nephrosis. Both Micturin and Mictine are derived from or based upon the same Latin root and are intended to suggest urination. They are, however, prescribed for radically different conditions and for different uses and desired effects. There was evidence that it was extremely unlikely that a physician would prescribe or a pharmacist dispense the product of one of the parties for the treatment of a condition for which the product of the other was indicated.

The district court found that the plaintiff owned a valid common-law trade-name "Micturin" which was entitled to legal protection. However, because the two products are dispensed only upon physicians' prescrip-

tions, the court limited its inquiry to the question whether there was a likelihood of confusion within the specialized group composed of physicians and pharmacists. Upon the evidence, and taking judicial notice of the high standards of care required to be followed in both these fields, the district court concluded that there was no likelihood of confusion between the two names. Nonetheless the court found obvious similarity in derivation, suggestiveness, spelling, and sound in careless pronunciation between Micturin and Mictine as applied to pills to be taken by mouth for therapeutic purposes and stated that if the two names had been employed to designate medicinal tablets designed for the alleviation or cure of the same or closely related human ailments, it would have no difficulty in finding a confusing similarity between them. However, since the pills are not designed for the same ailments, the district court concluded that there was no confusing similarity in the two names and that the plaintiff's trade-name was not infringed. Accordingly, the court refused to enjoin the defendant's use of the trade-name Mictine. The court also found that, since the products were non-competing and the defendant did not seek to palm off its goods as those of the plaintiff, there was no basis in the evidence to support the plaintiff's charge of unfair competition. The complaint was accordingly dismissed with prejudice and judgment was entered for the defendant. 150 F. Supp. 726. This appeal followed.

The plaintiff contends on this appeal that the district court erred in concluding that there was no confusing similarity between the names Micturin and Mictine because they did not designate medicinal tablets for the alleviation or cure of the same or closely related human ailments, and in refusing on this ground to enjoin the defendant's use of the name Mictine.

There is no precise formula or rule of law which may be applied mechanically in deciding whether there is an infringement of a trade-mark or name. On the contrary, under the law of New Jersey, which the district court rightly held to be controlling here,[1] each case must be decided on its own facts and circumstances.[2] As the Supreme Court long ago pointed out in McLean v. Fleming, 1877, 96 U. S. 245, 251, "What degree of resemblance is necessary to constitute an infringement is incapable of exact definition, as applicable to all cases. All that courts of justice can do, in that regard, is to say that no trader can adopt a trade-mark, so resembling that of another trader, as that ordinary purchasers, buying with ordinary caution, are likely to be misled." It is, however, settled that the courts will protect a trade-mark owner against poaching by a competitor who seeks to sell his goods as those of another.[3] Moreover the protection to which the owner of a trade-mark or name is entitled is not solely against confusion resulting from the use by another of the same or a similar name for a competing product in the

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[1] It appears that the state and federal decisions are in accord on the issues here involved. Q-Tips, Inc. v. Johnson & Johnson, 3 Cir. 1953, 206 F. 2d 144, 145, cert. den. 346 U. S. 867. While the plaintiff argues that New Jersey law is not applicable to events occurring in other jurisdictions, it has not shown that the law of those other jurisdictions is different, with respect to the problems here presented, from the law of New Jersey or the federal law. Accordingly, that difficult problem in the conflict of laws need not be decided in this case. See Campbell Soup Co. v. Armour & Co., 3 Cir. 1949, 175 F. 2d 795, 796-797.

[2] Goldscheider v. Schnitzer, 1949, 3 N. J. Super. 425, 430, 66 A. 2d 457, 460; 3 Callman, Unfair Competition and Trade-Marks, 2nd ed., § 81.1; 1 Nims, Unfair Competition and Trade-Marks, 4th ed., § 22d.

[3] Trade-Mark Cases, 1879, 100 U. S. 82, 92; Hanover Milling Co. v. Metcalf, 1916, 240 U. S. 403, 413; Mishawaka Mfg. Co. v. Kresge Co., 1942, 316 U. S. 203, 205.

same market. For the courts have frequently enjoined the use of a trade-mark or name in related fields whether or not the products were actually similar or competitive.[4] In a suit to enjoin the use of a trade-name, as distinguished from an action for the recovery of damages or profits from its use, it may be equitable as well as in the public interest, under particular circumstances, to enjoin the defendant from using his trade-name although it is not applied to a product which is similar to that to which the plaintiff's name is applied, and even though the defendant does not seek to induce purchasers to buy his goods instead of those of the plaintiff.

In the field of medical products, it is particularly important that great care be taken to prevent any possibility of confusion in the use of trade-marks.[5] The test as to whether or not there is confusing similarity in these products even if prescribed and dispensed only by professionally trained individuals does not hinge on whether or not the medicines are designed for similar ailments. The rule enunciated by Judge Hulen in Cole Chemical Co. v. Cole Laboratories, D. C. Mo. 1954, 118 F. Supp. 612, 616, 617, is applicable here:

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[4] Aunt Jemima Mills Co. v. Rigney Co., 2 Cir., 1917, 247 F. 407, cert. den. 245 U. S. 672; Vogue Co. v. Thompson-Hudson Co., 6 Cir. 1924, 300 F. 509, cert. den. 273, U. S. 706; Rosenberg Bros. & Co. v. Elliott, 3 Cir. 1925, 7 F. 2d 962; Yale Electric Corporation v. Robertson, 2 Cir. 1928, 26 F. 2d 972; Kotabs v. Kotex Co., 3 Cir. 1931, 50 F. 2d 810, cert. den. 284 U. S. 665; L. E. Waterman Co. v. Gordon, 2 Cir. 1934, 72 F. 2d 272; Procter & Gamble Co. v. J. L. Prescott Co., 3 Cir. 1939, 102 F. 2d 773, cert. den. 308 U. S. 557. See Restatement, Torts, §§ 717, 744.

[5] See Campbell Products v. John Wyeth & Bro., 1944, 31 C. C. P. A. 1217, 143 F. 2d 977; Thymo Borine Laboratory v. Winthrop Chemical Co., 1946, 33 C. C. P. A. 1104, 155 F. 2d 402; Van Pelt & Brown v. John Wyeth & Brother, 1947, 34 C. C. P. A. 1033, 161 F. 2d 244.

> "Plaintiff and defendant . . . are engaged in the sale of medical preparations. They are for ultimate human consumption or use. . . . They are practically all for ailments of the human body. Confusion in such products can have serious consequences for the patient. Confusion in medicines must be avoided.
>
> . . .
>
> "Prevention of confusion and mistakes in medicines is too vital to be trifled with."

The observations made by Assistant Commissioner Leeds of the Patent Office in R. J. Strasenburgh Co. v. Kenwood Laboratories, Inc. 1955, 106 USPQ 379, 380, are particularly apt, that

> "physicians are not immune from confusion or mistake. Furthermore, it is common knowledge that many prescriptions are telephoned to the pharmacist and others are handwritten, and frequently the handwriting is not unmistakably legible. These facts enhance the chances of confusion or mistake by the pharmacist in filling the prescription if the marks appear too much alike when handwritten or sound too much alike when pronounced."

The defendant concedes that physicians and pharmacists are not infallible but urges that the members of these professions are carefully trained to detect differences in the characteristics of pharmaceutical products. While this is doubtless true it does not open the door to the adoption by manufacturers of medicines of trade-marks or names which would be confusingly similar to anyone not exercising such great care. For physicians and pharmacists are human and in common with the rest of mankind are subject to human frailties. In the field of medicinal remedies the courts may not speculate as to whether there

is a probability of confusion between similar names. If there is any possibility of such confusion in the case of medicines public policy requires that the use of the confusingly similar name be enjoined.[6] Indeed, as the plaintiff points out, the district court itself in this case regarded the defendant's right to use the name Mictine as very doubtful. For in its opinion on amendment of judgment the court stated that "the defendant herein trod a very narrow course when it adopted the name Mictine with full knowledge of the prior use of the name Micturin by the plaintiff."

For the reasons which we have stated we hold that the finding of the district court, with which we concur, that there is "obvious similarity in derivation, suggestiveness, spelling, and sound in careless pronunciation, between 'Micturin' and 'Mictine' as applied to pills to be taken by mouth for therapeutic purposes" requires the conclusion, in the circumstances of this case, that the defendant has infringed the rights of the plaintiff in its common-law trade-name Micturin and should be restrained from further doing so. The contention of the defendant that the plaintiff abandoned the name Micturin in 1953 is without support in the record and requires no discussion. Accordingly we conclude that the district court erred in denying the plaintiff injunctive relief.

The plaintiff further contends that the district court erred in denying it an accounting of defendant's profits from the sale of Mictine. The determination of the district court in this regard was based on its findings that there was no actual competition between Micturin and Mictine tablets and that there has been no showing of palming off by the defendant of its product as that of the

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[6] See Lambert Pharmacal Co. v. Bolton Chemical Corporation, D. C. N. Y. 1915, 219 F. 325, 326.

plaintiff. Accordingly, the court concluded that the defendant was not guilty of unfair competition.

It does not follow that because a trade-mark owner is entitled to an injunction to prevent future infringement he is ipso facto entitled to an accounting of profits.[7] An accounting will be denied where an injunction will satisfy the equities of the case. Champion Plug Co. v. Sanders, 1947, 331 U. S. 125, 131. Upon consideration of the facts of the present case we are clear that the district court did not err in denying an accounting and that the equities will be fully satisfied by the granting of an injunction against future use of the name Mictine by the defendant.

The judgment of the district court will be reversed and the cause will be remanded with directions to grant an injunction but to denying an accounting of profits.

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[7] McLean v. Fleming, 1877, 96 U. S. 245; The International Silver Co. v. Rogers Corporation, 1904, 66 N. J. Eq. 140, 57 A. 725; Rubber & Celluloid Harness T. Co. v. Rubber-Bound Brush Co., 1912, 81 N. J. Eq. 419, 88 A. 210, affirmed 81 N. J. Eq. 519, 88 A. 213; J. F. Rowley Co. v. Rowley, 3 Cir. 1912, 193 F. 390, 393; Q-Tips, Inc. v. Johnson & Johnson, 3 Cir. 1953, 206 F. 2d 144, 148, cert. den. 346 U. S. 867. See also Restatement, Torts, § 745.

District Court's Opinion on Remand.

(Filed May 5, 1958.)

Upon the precedent of *Kansas City Southern Railway* v. *Guardian Trust Co.*, 281 U. S. 1, I have decided to deny plaintiff's application for the inclusion of counsel fees in its costs.

I construe the opinion of the Court of Appeals in this case, when interpreted in the light of the views expressed by that Court in *Century Distilling Co.* v. *Continental Distilling Corp.*, 205 F. 2d 140, as precluding the award of punitive damages to the plaintiff in this case.

I have considered the respective drafts of injunction decree submitted by each of the parties hereto, and have embodied the directive of the mandate of the Court of Appeals in my decree filed this date, a copy of which is enclosed herewith for your information.

Judgment on Remand by United States Court of Appeals for the Third Circuit.

UNITED STATES DISTRICT COURT

DISTRICT OF NEW JERSEY

Civil Action File No. 263-56

MORGENSTERN CHEMICAL CO. INC.,

Plaintiff,

vs.

G. D. SEARLE & CO.,

Defendant.

This cause came on to be heard and considered on remand by the United States Court of Appeals for the Third Circuit pursuant to its mandate dated March 28, 1958, filed in this court on March 31, 1958, and on the application of the plaintiff for the assessment and award of damages, and/or including, attorney's fees besides costs.

On consideration thereof and after hearing counsel for the respective parties, it is hereby

ORDERED, ADJUDGED and DECREED that:

1. The judgment of this court entered on June 20, 1957, as amended by order dated June 27, 1957, is hereby reversed, with costs as taxed in and by the Court of Appeals in the sum of $579.55; and plaintiff Morgenstern Chemical Co. Inc. (whose principal place of business is at 8 Crary Avenue, Mount Vernon, New York) recover of and from the defendant G. D. Searle & Co. (whose principal place of business is at Chicago 80, Illinois) the said sum of $579.55, and said plaintiff have execution therefor against the defendant.

2. The defendant G. D. Searle & Co., its affiliates, subsidiaries, successors and assigns and their respective officers, agents, representatives, employees and all other

persons acting on the instructions of any of them, be and hereby are enjoined and restrained from, directly or indirectly, within the United States, using (in any form style or context whatsoever, except as hereinafter otherwise expressly directed) the name, designation, word or symbol MICTINE and/or MICTIN and/or any other simulation of plaintiff's mark MICTURIN, in or in connection with the manufacture, sale, offer for sale, advertising or otherwise publicizing a pharmaceutical or any other product not manufactured or distributed by the plaintiff. Informing any person whatsoever, orally or in writing, directly or indirectly, and advertising or otherwise publicizing by any means whatsoever, that the tablets heretofore designated or offered or sold under the name, designation, word or symbol MICTINE or Mictin are or will be available, or improved or better tablets (or other form) are available by such designation, and all statements of like effect or import and other use by defendant of the word or symbol MICTINE or MICTIN to aid in the sale or promotion of any of defendant's products, are hereby specifically included in this injunction—without limiting it.

3. The defendant forthwith shall destroy any and all labels and packaging material subject to its control which bear thereon, in any form whatsoever, the name, designation, word or symbol MICTINE or MICTIN and shall forthwith destroy all pamphlets, circulars or other printed or typewritten or written or otherwise produced material subject to its control which contain or in any way refer to MICTINE and/or MICTIN. This directive, however, shall not be construed as requiring and does not require defendant to destroy any records, files, indices, reports or samples of the product, Mictine, which form a part of or constitute a part of the business records filed and reports of the defendant company made or retained for internal use by employees, officers and agents of defendant company, nor any labels or packaging material designed and employed for use in defendant's foreign commerce.

Judgment on Remand by United States Court of Appeals for the Third Circuit.

4. The defendant forthwith shall notify all persons to whom it has heretofore shipped or delivered any of its Mictine or Mictin tablets that by court injunction in a trade-mark infringement suit the sale and distribution of said tablets is forbidden; that therefore, all such tablets on hand should be promptly returned to the defendant; and that the defendant requests such return and promptly will make proper refund or give full credit therefor. No one under defendant's control shall, directly or indirectly, in any way counteract the said notification or shall advise or encourage continued sale or distribution of said tablets. So long as defendant in good faith complies with this paragraph, it shall not be required to institute or prosecute any legal proceedings to repossess or reclaim any product, advertising brochure, pamphlet or card which has heretofore been sold or distributed by it and the title to which has passed to a third party.

5. The defendant shall, within twenty (20) days from the date hereof, apply to the United States Patent Office for leave to amend its applications for the registration of MICTINE and MICTIN, so as to limit the use of such names, if registered, to foreign commerce only.

6. Defendant, within sixty (60) days after the entry hereof, shall file with the Clerk of this Court a statement, under oath, showing in detail when and how it complied with paragraphs 3, 4, and 5 above.

7. Plaintiff's application for the assessment and award of damages and, or including, attorney's fees is hereby denied; but plaintiff shall recover from defendant and have execution for plaintiff's costs in this Court to be taxed as provided in 28 U. S. C. § 1920.

Dated: May 5, 1958.

REYNIER J. WORTENDYKE, JR.,
Judge, United States District Court.

Order Amending Judgment on Remand.

[SAME TITLE]

This matter coming on to be heard and considered on applications of both plaintiff and defendant to amend Paragraph 2 and of the defendant to amend Paragraph 4 of the judgment on remand heretofore entered by this Court and filed on May 5, 1958, and it appearing to the Court that certain inadvertent errors and ambiguities appear in said judgment, it is hereby ORDERED that the application of the plaintiff be and the same hereby is denied, and that the application of the defendant as to Paragraph 2 of the said judgment be and hereby is granted, and that Paragraph 2 of the said judgment be amended by the addition of the following sentence to be added to the conclusion of said Paragraph 2:

> "Nothing in this Paragraph shall be construed so as to prevent defendant within 30 days from the date of this order from informing any person or persons, entity or entities in any manner whatsoever that the name Mictine or Mictin has been withdrawn from the market but that the product formerly marketed under the name Mictine or Mictin will hereafter be marketed under a new or substituted name, which new or substituted name is not in violation of the injunctive order."

And it is FURTHER ORDERED that the first sentence of Paragraph 4 of said judgment be and hereby is amended to read as follows:

> "The defendant forthwith shall notify all persons within the United States to whom it has heretofore shipped or delivered any of its MICTINE or MICTIN tablets that by Court injunction in a trade-mark in-

fringement suit the sale and distribution of said tablets under the names MICTINE or MICTIN is forbidden; that therefore all such tablets on hand in any container labeled MICTINE or MICTIN should be promptly returned in that container to the defendant; and that the defendant requests such a return and promptly will make proper refund or will give full credit therefore."

Dated: May 13, 1958.

WORTENDYKE,
J. U. S. D. C.

Motion for Judgment on Remand, etc.

[SAME TITLE]

Plaintiff hereby moves on and under the mandate of the United States Court of Appeals for the Third Circuit, dated March 28, 1958, and on the trial record and all the proceedings heretofore had in this case and the affidavit and memorandum submitted herewith, for:

1. The award to the plaintiff against the defendant of exemplary damages in such amount as to the court may seem just;

2. The assessment and award to the plaintiff against the defendant of the fees and expenses of its attorney, as such and as damages, in the sum of $40,000 or such other sum as the court will adjudge to be fair value of such services;

3. The entry of judgment in the form proposed and submitted herewith.

Dated: March 31, 1958.

CHAZIN & CHAZIN,
Attorneys for Plaintiff,

By COPAL MINTZ,
Copal Mintz, of Counsel.

NOTICE OF HEARING.

SHANLEY & FISHER, Esqs.,
Attorneys for Defendant,
744 Broad Street,
Newark 2, New Jersey.

PLEASE TAKE NOTICE that the above motions will be brought on for hearing by, and the above relief will be applied for to, the Hon. Reynier J. Wortendyke, Jr., J., at his Courtroom in Room 4 of the United States Court House and Post Office Building, Newark, New Jersey, on the 14th day of April, 1958, at 10 A. M. or as soon thereafter as counsel will be heard.

Dated: March 31st, 1958.

Yours, etc.,

CHAZIN & CHAZIN,
Attorneys for Plaintiff,

By COPAL MINTZ,
Copal Mintz, of Counsel.